

Virginia Department of Social Services
Medicaid Fact Sheet #40
REASONABLE EFFORTS TO SELL REAL PROPERTY

The following information is given as a guideline only. In order to determine Medicaid eligibility, an application must be filed with the local department of social services in the area in which you live.

If you own real property that is keeping you from being eligible for Medicaid, you might be able to try to sell that property and become eligible for Medicaid. If you become eligible for Medicaid, you must continue to try to sell the property until it is sold or until you no longer want Medicaid. The following information tells you when a reasonable effort to sell real property is being made and what you must do to continue to try to sell the real property.

The Medicaid program always uses the tax assessed value. Appraisals by real estate agents cannot be used.

I. You could be eligible if:

- The property has been listed for six months at 100% of the assessed value and
- No offers at or above the assessed value have been received.

You must make a continuing effort to sell:

- You must renew the listing and
- Reduce the list price to 100% of the tax assessed value after it has been listed for twelve months.

II. You could be eligible immediately if:

- Two realtors refuse to list the property because it is unsaleable at tax assessed value for specific reasons.

You must make a continuing effort to sell:

- You must attempt to sell the property by advertising the property yourself for 90 days within 12 months.

III. You could be eligible immediately if:

- You listed the property with a realtor at tax assessed value and
- The realtor verifies that the property is unlikely to sell within 90 days for specific reasons.

You must make a continuing effort to sell:

- You must renew the listing at tax assessed value or
- Advertise the property yourself for 90 days within 12 months.

- IV. You could be eligible after property has been advertised for 90 days if:
- You advertised property yourself at the tax assessed value for 90 days within 12 months.

You must make a continuing effort to sell:

- You must list the property with a realtor at or below tax assessed value or
- Two realtors must refuse to list the property because it is unsaleable at tax assessed value.

- V. Jointly Owned or Inherited Property – You could be eligible immediately if
- All other known co-owners have refused to buy your share and one co-owner has refused to sell.

You must make a continuing effort to sell:

- You must initiate a partition suit within 60 days of approval for Medicaid. You will then be considered to be making a continuing effort to sell until the property is sold or for nine (9) months, whichever is less.
- For Qualified Medicare Beneficiaries and Qualified Disabled and Working Individuals, when the property is exempt as unsaleable, no further action is required.

- VI. Property of an individual who is incompetent:

- Property is exempt from the date the hearing to appoint a guardian is placed on the court docket or when the hearing for property disposition is on the court docket.

You must make a continuing effort to sell:

- The guardian must aggressively pursue necessary steps for court approval to sell property or for making a reasonable effort to sell as listed above.